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JUNE 15, 1982

IRONAGE

THE MAGAZINE FOR METALWORKING MANAGEMENT

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POW!

HI-TECH REPORT:

THE POWER-PACKED TRANSISTOR ARRIVES IN METALWORKING

AYSOPS - A NO-COST FRINGE BENEFIT ★ AUTO ENERGY: PART I OF A TWO-PART SERIES

PLUS ON THE SCENE REPORTS FROM STEEL'S ANNUAL MEETING

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VOL. 226, NO. 17

IRON AGE

JUNE 15, 1983

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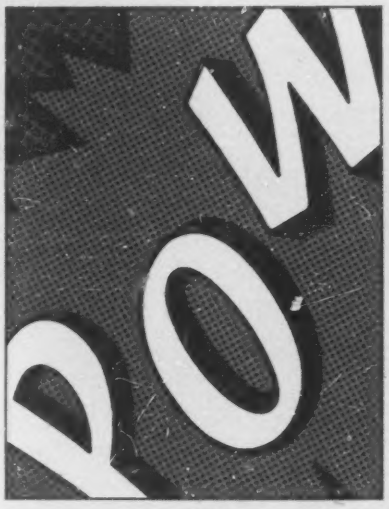

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SCRAP MONITORING WON'T BE SCRAPPED

When Congress reconsiders the Export Administration Act this month, the scrap export provision is expected to remain in the law.

BY ROBERT J. REGAN

Whatever else Congress may soon do to the Export Administration Act, the odds are that the hotly contested provisions providing for monitoring and control of iron and steel scrap exports will still be in that law—though probably more tightly defined.

There had been a wide range of differences of opinion on the scrap exports provision, known alternately as the Findley Amendment and Section 7c. But the mills of Congress by late May had ground these down to largely procedural matters.

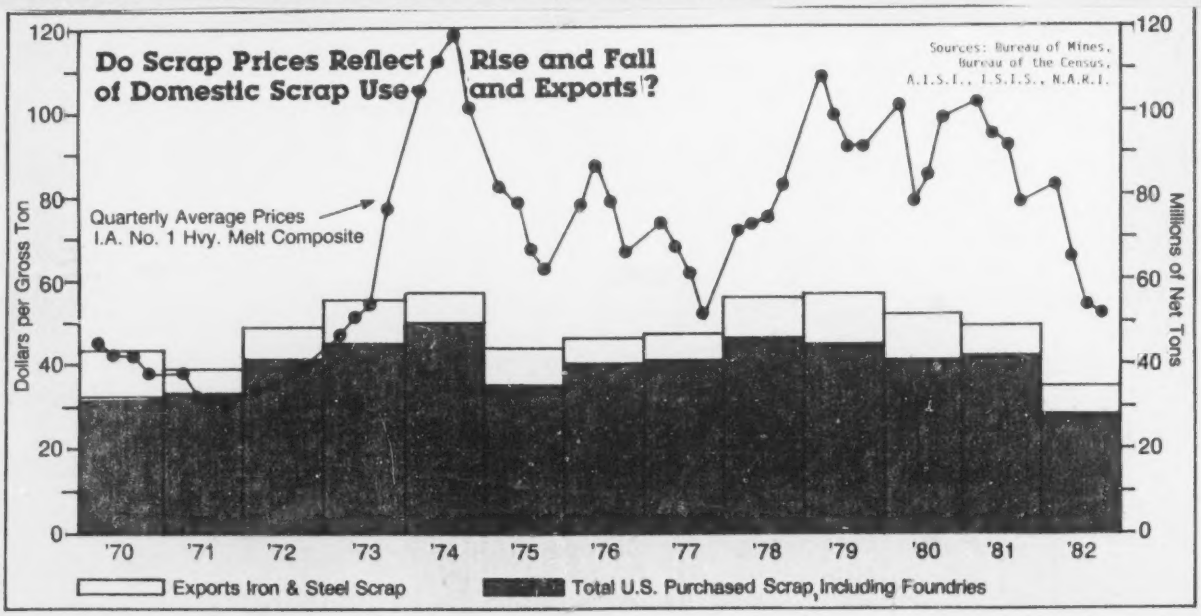
The National Association of Recycling Industries (NARI) failed in its attempt to get Section 7c knocked out altogether, largely on grounds that it discriminated against scrap and made no provision for similar treatment for exports of primary metals.

Other combatants included the Institute of Scrap Iron and Steel (ISIS). Its position has evolved into favoring stricter guidelines under which the Secretary of Commerce can invoke the provision. The Ferrous Scrap Consumers Coalition (FSCC) is still the strongest backer of the Findley Amendment. The American Iron & Steel Institute, which also favors export monitoring, has been quieter than the others during the current fracas.

The scrap market itself isn't putting much pressure on the situation. Demand is improving slowly, but export volume in the first quarter wasn't much better than last year's lackluster performance. The Department of Commerce puts first quarter exports at 1.56 million tons for a 2.4 pct gain on the same 1982 period. Japan and South Korea were strong buyers (up 111.2 pct and 50.1 pct, respectively), but the gains here were pared down by sharp drops in shipments to customers in Canada, Spain, Mexico and Italy.

Since 1970, scrap prices appear to respond more to increases in overall demand (domestic industry purchases plus exports) than to any move by exports alone (see chart). The scrap industry argues that there is plenty of scrap available for domestic and overseas requirements. (ISIS President James F. Anderton late in May reminded steel executives attending at the AISI annual meeting in New York that

(Cont. on p. 33)



Iron Age Composite Price, No. 1 Hvy. Melt Avg. Dollars per Gross Ton, by Quarters

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
1st Qtr.	43.50	39.14	34.71	48.36	104.35	80.76	79.76	72.67	72.30	109.35	101.95	101.10	81.11
2nd Qtr.	42.42	33.69	35.33	51.35	110.04	78.30	86.67	66.38	74.25	99.51	79.82	95.51	64.01
3rd Qtr.	41.08	32.48	37.31	55.94	119.24	67.08	79.10	60.48	75.50	91.51	84.98	91.74	56.02
4th Qtr.	37.25	31.05	40.21	76.14	100.44	61.32	65.65	53.06	82.72	91.30	98.66	77.74	51.77

(Cont. from p. 29)

they have a 700 million-ton hoard to draw from.) But domestic scrap consumers alternately question the utility value of this cornucopia and which end of it the scrap comes out of.

Possibly sensitive to questions over the processors' ability to deliver from the scrap hoard, ISIS late in May stated flatly that the ferrous scrap industry can produce 140 million tons of material a year working on a two-shift basis. On a one-shift basis, ISIS continued, the scrap industry can shread, shear, bale, crush, break and torch 70 million tons of scrap a year.

It would appear that even the one-shift total would be enough. The total requirement (domestic purchases plus exports) didn't quite hit 60 million tons during the peak demand year of 1974—when export controls were in force. On the other hand, scrap prices have moved up quickly each time the 60 million ton-mark is approached. And, price, more than volume, is the real name of the game in the monitoring and controls controversy.

Oddly enough, scrap prices also peaked in 1974 despite a 21.8 pct drop in exports (thanks to the controls, which apparently failed to create a two-tier market that some domestic consumers had been hoping for).

According to Hershel Cutler, executive director of ISIS, "the theory was that, if you controlled exports, the prices would come down, but as you see, it didn't work out that way. The intent was based on an emotional response (to record export volume the year before), but what we got were artificially inflated prices."

The two-tier idea didn't work, he says, because domestic demand was up and domestic users still had to match bid-up prices of overseas buyers competing for the artificially reduced supply of U.S.-generated scrap. As long as domestic scrap processors thought they could get at least a piece of the export action, they weren't receptive to lower domestic prices, Mr. Cutler says.

One of the engines driving up domestic scrap consumption is the fast growth in steel production in electric furnaces, which use scrap as the principal raw material. Between 1970 and 1981, domestic steel production in electric furnaces rose by 69.4 pct, or nearly 14 million tons, according to AISI. Over the same period, total steel production in basic oxygen and open hearth furnaces dropped 22.2 pct, or nearly 24.7 million tons.

Although production by all furnace types was down sharply in 1982, production in electric furnaces increased its share of total output to a peak 29.5 pct. Back in 1970, this share was only 15.3 pct.

AISI, noting that the growth in electric furnace use in Japan rivals that in the U.S., has contended that there have been periods in which the combination of domestic and export demand have forced "inflationary increases in scrap prices (which) appear to be occurring with greater frequency at lower levels of U.S. steel production."

AISI said the Department of Commerce must have the power to monitor exports "and contracts for future exports" when it appears the volume in relation to domestic supply contributes or could contribute to an increase in domestic prices or have an adverse impact on the domestic supply.

But Steven Kaplan, first vice president of ISIS, has contended that foreign buyers could view the monitoring process as a prelude to controls, boost their orders to get on the books before controls are clamped on and create a self-fulfilling prophecy.

Price, more than volume, is the real name of the game in the controversy.

The ISIS goal in the current campaign centers on a ban on short supply controls without first requiring the Secretary of Commerce to hold formal on-the-record proceedings and a formal administrative hearing process and a final agency decision on the record before imposition of monitoring or controls.

NARI's argument, according to M. J. Mighdoll, its executive vice president, was that "any emergency of critical short supply situation necessitates export control action on all forms of the metal in short supply, not just the scrap form."

"The original proposal in Congress in 1979 was to do just that, which was why NARI did not initially oppose its inclusion in the Export Administration Act," Mr. Mighdoll said.

NARI believes the provision is unnecessary and counterproductive, he said, but added that the association would have no objection if it had been applied to all commodities.

Reminded that NARI had charged that Section 7c "does nothing more than seek to establish monopolistic control over prices and supplies of metal scrap," Mr. Mighdoll was asked if NARI meant monopolistic controls for domestic primary and secondary producers of ferrous and nonferrous metals, or governmental monopolistic control per se? He replied that it was "apparent that some domestic consumers have been and continue to be eager to have such a special control mechanism, yet they do not suggest, nor will they willingly agree to accept, that the same provision be applicable to the virgin forms of metal.

"It should be obvious that if scrap is more controllable than primary metal it will help assure priorities in the marketplace for primary metals. And, most importantly, if scrap is placed under quantative export control restrictions, the availability of scrap becomes more plentiful and the consumer, who establishes market prices, can then benefit from the absence of foreign competition for the metal. As a result, he enjoys 'monopolistic' control, he has improved his market position by weakening the price structure and distorting normal flow relationships through artificially introduced government intervention."

Asked if NARI was not over-reacting when it charged that any company or organization could trigger a comprehensive investigation and a series of hearings leading to possible imposition of monitoring without a filtering process to protect the government and the taxpayer from nuisance petitions and the like, Mr. Mighdoll said there are evaluations to be made by the Commerce Department, but "the very fact that a petition can trigger lengthy and costly investigative proceedings has a negative effect on markets."

Mr. Mighdoll said the fact that scrap metals alone are subject to possible monitoring and/or control procedures "is, in itself, an inhibiting factor in the marketing of scrap metals—and as for the 'any company' part of the question, it is hard to imagine the pressure that a giant steel company, albeit only one company, can exert politically behind its petition. A few of them did it in 1980."

Even after narrowing its focus to nonferrous scrap, NARI lost its bid to knock out the Findley Amendment in the Senate Building, Housing and Urban Affairs Committee and the House Foreign Affairs Committee late last month. An amendment supported by ISIS was passed on the House side unanimously at the same time.

NARI would not discuss what further action or recommendations, if any, it might make, but a spokesman said the association stands on its position against the Findley amendment, of which Mr. Mighdoll said "there is no such thing as 'revised' discrimination; it should be eliminated completely." □

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MATERIALS NEWSFRONT

Important Notice About Iron Age Scrap Prices

Beginning with the Jan. 21 issue Iron Age has been publishing only one set of scrap prices per issue—those with the effective date as close to the issue date as printing schedules permit. Prices for other weeks are available on a weekly basis through our Metal Price Phone Hotline or through our Weekly Price Newsletter.

Lake Superior Ore Prices

51.50% Fe Natural delivered lower Lake ports. Rail transportation, handling and unloading may be charged to the account of the buyer. Coarse ore 80¢ premium.

Pellets (per iron unit natural)..... gross-ton 80.50-86.9*
Old range, non-bessemer ..... gross-ton $32.78
Mesabi, regular-unscreened ..... gross-ton $32.53
Mesabi, non-bessemer.....gross-ton $32.25-32.53**

*80.50¢—Pickands Mather as of 1/27/81.
**86.9¢—U. S. Steel as of 3/15/82, Cleveland-Cliffs as of 2/26/82, Oglebay Norton as of 3/25/82, and Hanna Mining as of 2/26/82.

Steel Production, Composite Prices

(Effective May 31, 1983)

U.S. Steel Production	Last Week	Two Weeks Ago	To Date 1983	To Date 1982
Net tons, in thousands	1,627	1,697	32,386	34,994
Capability Utilization Rate	56.3	58.7	52.9	56.1

Composite Prices	This Week	Week Ago	Month Ago	Year Ago
Finished Steel Base* (¢/lb.—eff. 2/14/83)	26.217	26.217	26.217	25.297
Pig Iron* * (Net ton=2000 lbs.)	$213.00	$213.00	$213.00	$213.00
Scrap No. 1 hvy.* * * (Gross ton=2240 lbs.)	$ 70.50	$ 67.50	$ 66.83	$ 62.83
No. 2 bundles	$ 46.50	$ 46.50	$ 46.50	$ 45.50
Scrap Comparison (Gross Ton)				
No. 1 steel, Pittsburgh .	$ 71.50	$ 68.50	$ 68.50	$ 64.50
No. 1 steel, Philadelphia	68.50	66.50	64.50	64.50
No. 1 steel, Chicago.....	71.50	67.50	67.50	59.50
No. 1 bundles, Detroit..	69.50	69.50	69.50	57.50
Low Phos., Youngstown	71.50	71.50	72.50	71.50
No. 1 mach'y cast., Pgh	74.50	74.50	74.50	79.50
No. 1 mach'y cast., Phila	98.50	98.50	98.50	110.50
No. 1 mach'y cast., Chi..	108.50	108.50	108.50	108.50

*Finished Steel Composite
Weighted index of steel bars, shapes, plates, wire, rails, black pipe, hot and cold rolled sheets and strips.
**Pig Iron Composite
Based on average prices for basic and foundry pig iron at representative producing points within the U.S.
***Steel Scrap Composite
Average of No. 1 hvy. melting steel scrap and No. 2 bundles delivered to consumers at Pittsburgh, Philadelphia and Chicago.

Nonferrous Prices

(Effective May 31, 1983)
Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated.

Primary Metal Prices

(cents per lb.)	current price	last price	date of change
Aluminum	76.00 (Nom.)	76.00-80.00	1/4/82
Copper (C)	81.00-82.00	81.00-84.00	5/24/83
Lead	20.00-23.00	21.00-23.00	5/4/83
Magnesium Ingot	138.00	134.00-138.00	6/1/83
Nickel	329.00	350.00	11/25/81
Titanium Sponge	555.00-585.00	555.00	4/29/82
Zinc	40.00	38.00-40.00	4/27/83

ALUMINUM: 99.5%. COPPER (C) = cathode. LEAD: common grade. MAGNESIUM: 99.8% pig. Velasco, Tex. NICKEL: electro., Port Colborne, Canada. ZINC: high grade.

Antimony, American Laredo, Texas . $2.00
Beryllium-aluminum 5% Be, per lb. contained Be $215.00
Beryllium-copper, per lb. cont. Be $130.00
Beryllium 97% powder 200 ..... $166.00
Bismuth, ton lots ..... $1.55-$1.70
Cadmium, under one ton ..... $1.05-$1.15
Calcium, ton lots, crown $3.05
Chromium, 99.8% $3.75
Cobalt, 99%, cathode $12.50
Gold per troy oz. $437.50
Indium, dollars per troy oz. $3.10
Iridium, dollars per troy oz. $600
Magnesium sticks, 10,000 lbs. $1.91
Mercury, per 76-lb. f.o.b. N.Y. ..$300-$310
Molybdenum, lb. tech. moly oxides, 20 lb. MO can $5.85
Nickel oxide sinter at U.S. points of entry $3.12
Palladium, per troy oz. $140
Platinum, per troy oz. $475
Rhodium, per troy oz. $600.00
Silver ingots, per troy oz. $13.32
Vanadium $4.94
Zirconium sponge..... $12.00-$17.00
(Per lb. unless otherwise noted)

Straits Tin Price

(U.S. cents per lb, EX-SMELTER, based on daily market in Penang in Malaysian dollars per kilo.)

May 23—606.38
May 24—606.94
May 25—610.75
May 26—614.97
May 27—Holiday

Scrap Prices

Brass Mill Scrap

(Cents per lb; over 20,000 lbs. add 1¢ per lb)

	Solids	Turning
Copper	79½	70¼
Yellow brass	67⅛	61⅛
Red brass	72⅞	65½
Comm. bronze	74⅝	67
Mang. bronze	65¼	63⅝
Free cutting rod ends	59	58

Custom Smelters Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	71
No. 2 copper wire	63
Light copper	54

Ingot Makers Scrap

(Cents per lb., carload lots, del. refinery)

No. 1 copper wire	67
No. 2 copper wire	59
Light copper	50
No. 1 composition	57
No. 1 comp. turnings	54
Hvy. yellow brass solids	38
Hvy. yellow brass turnings	30
Radiators	46

Aluminum

New mixed clips	42	—43
Old sheet	39	—40
Old cast	39	—40
Clean dry borings	39	—40

Dealers' Scrap

(Dealers' buying price f.o.b. New York in cents per pound)

Aluminum

Segregated clippings	32	—33
Mixed L.C. clips	28	—29
Old sheets and cast	25	—26
Borings and turnings	17	—18
Duraluminum clippings	27	—28

Copper and Brass

No. 1 copper wire	61	—62
No. 2 copper wire	54	—55
Light copper	48	—49
Radiators	38	—39
No. 1 composition	48	—49
No. 1 composition turn'gs	45	—46
Cocks and faucets	34	—35
Clean heavy yellow brass	32	—33
Brass Pipe	33	—34
New soft brass clippings	48	—49

Lead

Heavy soft lead	9	—10
Wrought batteries	3	— 4
Type metal	15	—16
Electrotype	14	—15

Nickel

Nickel solids	110	—120
Nickel rod ends	110	—120
Nickel sheets, clips	110	—120
Nickel turnings	50	— 60

Zinc

New zinc clippings	15	—16
Old diecast zinc	9	—10

EFFECTIVE MAY 31, 1983

MATERIALS NEWSFRONT

(Effective May 31, 1983) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated. Prices are the opinions of *Iron Age* editors and correspondents, based on contacts with dealers, brokers, generators and users in the industry on the effective date listed above.

Ferrous Scrap Prices

Pittsburgh

No. 1 hvy. melting	$ 71.00 to	$ 72.00
No. 2 hvy. melting	61.00 to	62.00
No. 1 dealer bundles	86.00 to	87.00
No. 1 factory bundles (auto)	86.00 to	87.00
No. 2 bundles	51.00 to	52.00
No. 1 busheling	86.00 to	87.00
Machine shop turn.	7.00 to	8.00
Shoveling turnings	26.00 to	27.00
Cast iron borings	25.00 to	26.00
Low phos. punchings plate	88.00 to	89.00
Heavy turnings	61.00 to	62.00
No. 1 RR hvy. melting	88.00 to	89.00
Rails 2 ft. and under	103.00 to	104.00
Scrap rails, random lgth.	88.00 to	89.00
RR specialties	94.00 to	95.00
No. 1 machinery cast	74.00 to	75.00
Cupola cast	67.00 to	68.00
Heavy breakable cast	30.00 to	31.00
Stainless		
18-8 bundles and solids	590.00 to	600.00
18-8 turnings	490.00 to	500.00

Chicago

No. 1 hvy. melting	$ 71.00 to	$ 72.00
No. 2 hvy. melting	64.00 to	65.00
No. 1 dealer bundles	84.00 to	85.00
No. 1 factory bundles (auto)	84.00 to	85.00
No. 2 dealer bundles	44.00 to	45.00
No. 1 busheling	82.00 to	83.00
Shredder scrap	81.00 to	82.00
Machine shop turn.	17.00 to	18.00
Mixed bor. and turn.	18.00 to	19.00
Shoveling turnings	24.00 to	25.00
Cast iron borings	37.00 to	38.00
Low phos. forge crop	89.00 to	90.00
Low phos. punchings plate ¼ in. and heavier	98.00 to	99.00
Low phos. 2 ft. and under	93.00 to	94.00
No. 1 RR hvy. melting	84.00 to	85.00
Scrap rails, random lgth.	72.00 to	73.00
Reroller rails	98.00 to	99.00
Rails, 2 ft. and under	94.00 to	95.00
RR couplers and knuckles	82.00 to	83.00
RR car axles	112.00 to	113.00
No. 1 machinery cast	108.00 to	109.00
Cupola cast	95.00 to	96.00
Stove plate	94.00 to	95.00
Steel car wheels	82.00 to	83.00
Stainless		
18-8 bundles and solids	550.00 to	560.00
18-8 turnings	450.00 to	460.00
430 bundles and solids	135.00 to	140.00
430 turnings	100.00 to	105.00

Philadelphia

No. 1 hvy. melting	$ 67.00 to	$ 70.00
No. 2 hvy. melting	54.00 to	57.00
No. 1 dealer bundles	80.00 to	83.00
No. 2 dealer bundles	42.00 to	45.00
No. 1 busheling	80.00 to	83.00
Shredder scrap	77.00 to	80.00
Machine shop turn.	23.00 to	26.00
Mixed bor. and turn.	23.00 to	26.00
Shoveling turnings	40.00 to	43.00
Low phos. 5 ft. and under	79.00 to	82.00
Low phos. 2 ft. punchings	89.00 to	92.00
Electric furnace bundles	93.00 to	96.00
RR specialties	81.00 to	84.00
Rails, 2 ft. and under	92.00 to	95.00
Cupola cast	58.00 to	61.00
Heavy breakable cast	53.00 to	56.00
No. 1 machinery cast	97.00 to	100.00

Detroit

Broker buying prices per gross ton on cars:

No. 1 hvy. melting	$ 53.00 to	$ 54.00
No. 2 hvy. melting	51.00 to	52.00
No. 1 dealer bundles	69.00 to	70.00
No. 2 bundles	28.00 to	29.00
No. 1 busheling	67.00 to	68.00
Drop forge flashings	42.00 to	43.00
Machine shop turn.	25.00 to	26.00
Mixed borings and turn.	17.00 to	18.00
Shoveling turnings	25.00 to	26.00
Cast iron borings	17.00 to	18.00
Heavy breakable cast	36.00 to	37.00
Mixed cupola cast	48.00 to	49.00
Automobile cast	71.00 to	72.00
Stainless		
18-8 bundles and solids	470.00 to	480.00
18-8 turnings	350.00 to	360.00
430 bundles and solids	115.00 to	125.00

Youngstown

No. 1 hvy. melting	$ 64.00 to	$ 67.00
No. 2 hvy. melting	58.00 to	59.00
No. 1 dealer bundles	75.00 to	78.00
No. 2 dealer bundles	37.00 to	40.00
Machine shop turn.	1.00 to	3.00
Shoveling turnings	5.00 to	8.00
Low phos. plate	70.00 to	73.00
Electric furnace bundles	68.00 to	71.00
Galvanized bundles	58.00 to	61.00

Cleveland

No. 1 hvy. melting	$ 57.00 to	$ 60.00
No. 2 hvy. melting	27.00 to	30.00
No. 1 dealer bundles	71.00 to	74.00
No. 1 factory bundles	74.00 to	77.00
No. 2 bundles	22.00 to	25.00
No. 1 busheling	71.00 to	74.00
Machine shop turn.	1.00 to	4.00
Mixed bor. and turn.	1.00 to	4.00
Shoveling turnings	3.00 to	6.00
Cast iron borings	6.00 to	9.00
Cut structural & plates, 2 ft. and under	92.00 to	95.00
Low phos. punchings plate	92.00 to	95.00
Drop forge flashings	31.00 to	34.00
Foundry steel, 2 ft. & under	57.00 to	60.00
No. 1 RR hvy melting	61.00 to	64.00
Rails, 2 ft. and under	97.00 to	100.00
Rails, 18 in. and under	98.00 to	101.00
Steel axle turnings	67.00 to	70.00
Railroad cast	80.00 to	83.00
No. 1 machinery cast	87.00 to	90.00
Cupola cast	60.00 to	63.00
Stove plate	45.00 to	48.00
Stainless		
18-8 bundles	325.00 to	335.00
18-8 turnings	275.00 to	285.00
430 bundles	80.00 to	85.00

Buffalo

No. 1 hvy. melting	$ 33.00 to	$ 34.00
No. 2 hvy. melting	23.00 to	24.00
No. 1 busheling	38.00 to	39.00
No. 1 dealer bundles	36.00 to	38.00
No. 2 bundles	20.00 to	21.00
Machine shop turn.	9.00 to	10.00
Mixed bor. and turn.	16.00 to	17.00
Shoveling turnings	18.00 to	19.00
Cast iron borings	15.00 to	16.00
Low phos. plate	56.00 to	57.00
Structural and plate, 2 ft. and under	54.00 to	55.00
Rails, 2 ft. and under	50.00 to	51.00
Scrap rails, random lgth.	30.00 to	31.00
No. 1 machinery cast	71.00 to	72.00
No. 1 cupola cast	48.00 to	49.00

St. Louis

No. 1 hvy. melting	$ 58.00 to	$ 59.00
No. 2 hvy. melting	47.00 to	48.00
Foundry steel, 2 ft.	47.00 to	48.00
No. 1 dealer bundles	58.00 to	59.00
No. 2 bundles	44.00 to	45.00
Machine shop turn.	12.00 to	13.00
Shoveling turnings	18.00 to	19.00
Cast iron borings	30.00 to	31.00
No. 1 RR hvy. melting	58.00 to	59.00
Rails, random length	61.00 to	62.00
Rails, 18 in. and under	76.00 to	77.00
RR specialties	80.00 to	81.00
Cupola cast	70.00 to	71.00
Heavy breakable cast	48.00 to	49.00
Stove plate	82.00 to	83.00
Cast iron car wheels	49.00 to	50.00
Rerolling rails	96.00 to	97.00
Unstripped motor blocks	55.00 to	56.00

Birmingham

No. 1 heavy melting	$ 64.00 to	$ 65.00
No. 2 heavy melting	59.00 to	60.00
No. 1 dealer bundles	64.00 to	65.00
No. 2 bundles	45.00 to	46.00
No. 1 busheling	63.00 to	64.00
Shredder scrap	77.00 to	78.00
Machine shop. turn.	24.00 to	25.00
Shoveling turnings	35.00 to	36.00
Cast iron borings	35.00 to	36.00
Electric furnace bundles	62.00 to	63.00
Elec. furnace, 3 ft. & under	59.00 to	60.00
Structural and plate, 2 ft.	76.00 to	77.00
Structural and plate, 4 ft.	73.00 to	74.00
No. 1 RR hvy. melting	63.00 to	64.00
Scrap rails, random lgth.	68.00 to	69.00
Rails, 18 in. and under	86.00 to	87.00
Angles and splice bars	76.00 to	77.00
No. 1 cupola cast	84.00 to	85.00
Unstripped motor blocks	59.00 to	60.00

Cincinnati

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 48.00 to	$ 49.00
No. 2 hvy. melting	48.00 to	49.00
No. 1 dealer bundles	53.00 to	54.00
No. 2 bundles	27.00 to	28.00
Machine shop turn.	6.00 to	7.00
Shoveling turnings	8.00 to	9.00
Cast iron borings	11.00 to	12.00
Low phos. 18 in. and under	72.00 to	73.00
Rails, random length	54.00 to	55.00
Rails, 2 ft. and under	74.00 to	75.00
No. 1 cupola cast	58.00 to	59.00
Heavy breakable cast	25.00 to	26.00
Drop broken cast	67.00 to	68.00

New York

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 34.00 to	$ 35.00
No. 2 hvy. melting	30.00 to	32.00
No. 2 dealer bundles	22.00 to	23.00
Mixed bor. and turn.	7.00 to	8.00
Machine shop turn.	4.00 to	5.00
Shoveling turnings	10.00 to	12.00
Clean cast. chem. borings	34.00 to	35.00
No. 1 machinery cast	89.00 to	90.00
Mixed yard cast	38.00 to	39.00
Heavy breakable cast	14.00 to	15.00
Stainless		
18-8 prepared solids	480.00 to	500.00
18-8 turnings	380.00 to	400.00
430 prepared solids	70.00 to	80.00
410 solids	60.00 to	70.00

Boston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 38.00 to	$ 40.00
No. 2 hvy. melting	28.00 to	30.00
No. 1 dealer bundles	44.00 to	46.00
No. 2 bundles	29.00 to	31.00
No. 1 busheling	44.00 to	46.00
Shredder scrap	43.00 to	45.00
Machine shop turn.	3.00 to	5.00
Shoveling turnings	7.00 to	9.00
No. 1 machinery cast	100.00 to	105.00
Mixed cupola cast	28.00 to	30.00
Heavy breakable cast	8.00 to	10.00

San Francisco

No. 1 hvy. melting	$ 42.00 to	$ 44.00
No. 2 hvy. melting	34.00 to	36.00
No. 1 dealer bundles	29.00 to	31.00
No. 2 dealer bundles	13.00 to	15.00
Machine shop turn.	6.00 to	8.00
Cast iron borings	6.00 to	8.00
No. 1 cupola cast	85.00 to	87.00

Los Angeles

No. 1 hvy. melting	$ 41.00 to	$ 43.00
No. 2 hvy. melting	30.00 to	32.00
No. 1 dealer bundles	28.00 to	30.00
No. 2 dealer bundles	10.00 to	12.00
Machine shop turn.	6.00 to	8.00
Shoveling turnings	10.00 to	12.00
Cast iron borings	6.00 to	8.00
Elec. furnace, 1 ft. and under (foundry)	86.00 to	88.00
No. 1 cupola cast	88.00 to	90.00

Seattle

No. 1 hvy. melting	$ 59.00 to	$ 61.00
No. 2 hvy. melting	48.00 to	50.00
No. 2 bundles	38.00 to	40.00
No. 1 cupola cast	94.00 to	96.00
Mixed yard cast	81.00 to	83.00

Hamilton, Ont.

Brokers buying price per net ton on cars:

No. 1 heavy melting	$ 55.00
No. 2 heavy melting cut 2 ft. and under	52.00
No. 1 dealer bundles	60.00
No. 2 bundles	30.00
Mixed steel scrap	34.00
Bush. new fact. prep'd.	58.00
Bush. new fact. unprp'd.	50.00
Machine shop turn.	25.00
Short steel turn.	28.00
Mixed bor. and turn.	15.00
Cast scrap	48.00

Houston

Brokers buying prices per gross ton on cars:

No. 1 hvy. melting	$ 67.00 to	$ 68.00
No. 2 hvy. melting	51.00 to	53.00
No. 2 bundles	34.00 to	36.00
Machine shop turn.	19.00 to	20.00
Crushed turnings	35.00 to	37.00
Shredder scrap	67.00 to	68.00
Cut structural plate 2 ft. and under	84.00 to	86.00
Unstripped motor blocks	58.00 to	60.00
Cupola cast	71.00 to	73.00

METALWORKING ORDER TRENDS

Orders signals go from flashing yellow to steady green

The recovery in new orders for durable goods strengthened further in April.

Orders received by producers of durable goods climbed to $83 billion, up 3.8 pct from March. Further, April orders were up 7.2 pct over February.

In short, business is looking better.

And it is looking better for the big-tag lines in metalworking. New orders for nondefense capital goods in April were up $2.3 billion, or 11.7 pct, to $22.4 billion.

That jump in capital goods orders was the largest for any month since February 1979. This high-flying act was due largely to a big rush of orders for commercial aircraft.

Still, there was good breadth in the April orders rise for metalworking products. A glance down the numbers listed on the table here shows more plusses than minuses.

In commenting on the April orders rise, Commerce Undersecretary Robert G. Dederick noted, "It adds one more strand to the string of favorable economic activities for April and is still another indication that the business expansion is gaining momentum."

Notably, April data gives further evidence that durable goods inventories may now have reached a stabilization point. April saw a break in a 13-month straight fall in stocks. The gain was a relatively small one—up $500 million to $169.9 billion. Still, it seems to signal a turn in the inventory tides.

Inventories, of course, have to hit a bottom before orders can start up for real—and for long. That bottom may be near, or at hand. A good showing for stocks in May would go a long way in confirming evidence of a turning point for inventories.

One force that has been starting to give an upward push to metalworking new orders is rising activity in the defense sector. In April, for example, overall orders for electrical machinery were up almost 6 pct from March. This gain resulted mostly from a 10 pct rise in orders for defense-related communications equipment.

At this point in time, it is easy to read too much in monthly gains in new orders. But it is also a time when it is hard to ignore an increasingly strong upbeat trend in orders.

Right now, the orders advance is building a widening base. In month-to-month data, plusses are becoming the common sign. This is also true in orders for big ticket products.

Source: U.S. Dept. of Commerce Billions of dollars, seasonally adjusted monthly total, unless otherwise noted		Latest Month or Qtr.	Previous Month or Qtr.	Same Period Year Ago
Capital Expenditures (Annual Rates)				
U.S. Industry, Total	2nd Qtr.	$302.2*	$302.3	$323.2
Manufacturing, Total	2nd Qtr.	111.3*	112.8	123.8
Manufacturing, Durable Goods	2nd Qtr.	50.9*	52.8	59.0
Mining Industry	2nd Qtr.	14.6*	14.6	16.6
Key Indicators, Durable Goods Manufacturing				
New Orders	April	83.0	80.0	75.7
Shipments	April	80.4	79.6	79.5
Inventories	April	169.9	169.4	184.9
Unfilled Orders	April	299.0	296.4	301.2
New Orders, Metalworking				
Capital Goods Producers, Nondefense Industries	April	22.4	20.0	20.3
Capital Goods Producers, Defense Industries	April	7.0	6.6	4.8
Primary Metals, Total	April	8.9	9.2	8.5
Steel (SIC 331)	April	3.5	3.8	3.9
Iron & Steel Castings (SIC 332)	April	1.0	0.8	0.9
Nonferrous Metals	April	4.4	4.6	3.7
Nonelectrical Mach.-Equip. Industries, Total	April	14.8	14.3	14.4
Engines & Turbines	April	0.9	0.8	1.3
Farm Machinery & Equipment (Shipments)	April	0.9	0.9	1.1
Construction, Mining & Materials Hdlg. Equip.	April	2.1	2.0	2.3
General Industrial Machinery	April	1.1	1.1	1.3
Fluid Power Equipment** (Index-1972=100)	April	208	217	205
Metalworking Machinery	April	0.6	0.5	0.6
Machine Tools, Total (Millions $, unadjusted)***	April	119.2	125.5	150.8
Machine Tools, Metal-Cutting***	April	79.9	89.7	115.1
Machine Tools, Metal-Forming***	April	39.3	35.8	35.7
Electrical Mach. & Equip. Industries, Total	April	13.2	12.5	11.9
Elec. Transmission Equip. & Industrial Apparatus	April	1.8	1.7	1.7
Household Appliances	April	1.2	1.2	1.1
Communication Equipment	April	4.4	4.0	3.4
Transportation Equip. Industrial, Total	April	20.0	18.0	16.0
Motor Vehicles & Parts (Shipments)	April	11.3	11.0	10.1
Aircraft, Missiles & Parts	April	6.9	5.9	4.9
Shipbuilding & Military Tanks	April	0.8	0.3	0.7
Fabricated Metal Products, Total	April	9.5	9.7	9.4
Instruments, Total	April	4.1	3.9	3.9

*Est.—Commerce Dept.; **Source: National Fluid Power Assn.; ***Source: NMTBA.